

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



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T.R.A. DOCKET ROOM

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 9, 2003

D. Billye Sanders, Esq.
Waller Lansden Dortch & Davis
511 Union Street, Suite 2100
Nashville, Tennessee 37219

RE: Docket # 03-00607

Dear Ms. Sanders:

CLEC applicants are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. To assist the Authority in its review of Volunteer First Services, Inc.'s application for a Certificate of Convenience and Necessity to provide competing facilities-based local services in Tennessee, you are requested to provide the following information:

1. Pursuant to Tennessee Code Annotated, Section 65-4-125, the following will be due to the Tennessee Regulatory Authority ("TRA"), prior to completing the processing of your application for a Certificate of Public Convenience and Necessity:
 1. A corporate surety bond in the amount of \$20,000; or
 2. An irrevocable letter of credit in the amount of \$20,000; or
 3. Documentary evidence that you own and operate equipment facilities in Tennessee worth more than \$5,000,000.
2. In its CLEC application, VFS has indicated that it plans to contract with Ben Lomand Rural Telephone Cooperative, Inc. ("BLRTC") and Volunteer Energy Cooperative ("VEC") for employees to provide services in the areas of sales, operations management, customer service and engineering. Provide a detailed analysis addressing how shared labor costs, as well as, all shared and common costs will be allocated. Provide a narrative describing the steps that BLRTC and VEC will take to prevent cross subsidization of the operations of VFS. As part of your response include a copy of the cost allocation plan of BLRTC, VEC and VFS.
3. Will the cost allocation plan discussed in Item number 3 above be audited by an independent auditor? If so, how often? Will a separate opinion be issued on the cost allocation plan?
4. Will the TRA be provided access to the books and records of VFS, BLRTC and VEC to determine specifically if the company is in compliance with the cost allocation plan?

Please provide this information by December 15, 2003. If you have any questions concerning this request or need additional information, please call Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Werner". The signature is written in a cursive style with a large, stylized "J" and "W".

Joe Werner
Telecommunications Chief
Cc: Docket file